

Kentucky Power Company
KPSC Case No. 2021-00053
Commission Staff's Post Hearing Data Requests
Dated May 19, 2021

DATA REQUEST

PH_1 Big Sandy 1 had two maintenance outages in February 2020 totaling approximately eight days. Explain whether and how these outages make any difference to the determination of the base fuel rate.

RESPONSE

Maintenance outages generally do not affect fuel cost in the month they occur and hence would not affect the determination of the base fuel rate.

Witness: Brian K. West

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- PH_2** Refer to Kentucky Power's response to the March 4, 2021 Order in this proceeding and Kentucky Power's response to Commission Staff's Second Request for Information, Item 2, in Case No. 2020-00004.2 In a previous case, Kentucky Power stated (subject to check) that the Federal Electric Regulatory Commission accounts in this response could not be reconciled with the company's monthly Fuel Adjustment Clause (FAC) filing because the majority of the accounts reflected in the attachment are not recovered through the FAC.
- a. Explain which accounts are recovered through the FAC.
 - b. Explain (or confirm) that those accounts that are not recovered through the FAC are recovered through the off system sales clause/tariff.
 - c. Explain whether transactions regarding Kentucky Power's capacity sales or purchases are reflected in any of the accounts listed. If so, explain which ones.

RESPONSE

- a. and b. See KPCO_R_KPSC_PH_2_Attachment1 for information for the identified FERC accounts and whether the amounts are recovered through the fuel adjustment clause or the system sales clause.
- c. Two accounts show revenue for Capacity sales: 4470099 - Capacity Revenue for Non-Affiliated Sales and 4470127 - Capacity Revenue for Affiliate Sales.

Witness: Brian K. West

<u>Account</u>	<u>Account Description</u>	<u>Description of Charges</u>	Recovered in Base Rate	Recovered in System Sales	Recovered in Fuel Adjustment Clause
4470006	Sales for Resale - Bookout Sales	This account shall include the net billing for electricity supplied for sales for resale for non-associated companies - bookouts	Yes	Yes	
4470010	Sales for Resale - Bookout Purch	This account shall include revenues for sales for resale bookout purchases.	Yes	Yes	
4470081	Financial Spark Gas - Realized	This account shall include the net billings of settled spark gas financial transactions	Yes	Yes	
4470082	Financial Electric Realized	This account shall include settled financial electric optimization transactions (Swaps and Futures) entered into on or after 10-01-03	Yes	Yes	
4470089	PJM Energy Sales Margin	To record ECR's (East Cost Reconstruction Process) derived margin with PJM for spot energy sales to PJM.	Yes	Yes	
4470098	PJM Oper.Reserve Rev-OSS	To record operating reserve charges with PJM allocated to off-system sales (OSS).	Yes	Yes	
4470099	Capacity Cr. Net Sales	To record capacity credit revenue with PJM and other third parties.	Yes	Yes	
4470100	PJM FTR Revenue-OSS	To record FTR revenue with PJM allocated to off-system sales (OSS).	Yes	Yes	
4470103	PJM Energy Sales Cost	To record ECR's derived cost of sales revenue with PJM for spot energy sales to PJM.			Yes
4470107	PJM NITS Purch-NonAff.	To record network integration transm. service expense with PJM.	Yes	Yes	
4470110	PJM TO Admin. Exp.-NonAff.	To record transmission owner scheduling, system control, & dispatch service expense with PJM.	Yes	Yes	
4470112	Non-Trading Bookout Sales-OSS	To record revenues from non-trading off-system sales (OSS) - Bookouts	Yes	Yes	
4470115	PJM Meter Corrections-OSS	To record net PJM meter corrections allocated to off-system sales (OSS)	Yes	Yes	
4470126	PJM Incremental Imp Cong-OSS	To record incremental PJM implicit congestion not in ECR for off-system sales	Yes	Yes	
4470127	Sales for Res-Affil Pool Cap.	Record Sales for Resale activity for Affiliated Pool Capacity.	Yes		
4470131	Non-Trading Bookout Purch-OSS	To record purchased power for non-trading off-system sales (OSS) - Bookouts.	Yes	Yes	
4470143	Financial Hedge Realized	This account shall include settled financial power transactions (Swaps and Futures) applicable to hedge activity	Yes	Yes	
4470151	Trading Auction Sales Affil	Sales activity to serve an auction managed by another AEP affiliate	Yes	Yes	
4470175	OSS Sharing Reclass - Retail	To record and reflect the estimated amount of OSS margin shared with retail ratepayers.	Yes		
4470176	OSS Sharing Reclass-Reduction	This account will record and reflect the estimated amount of OSS margin shared with retail ratepayers. The amount recorded in the account will be equal to and offsetting of the amount recorded in OSS Sharing Reclass - Retail	Yes		
4470206	PJM Trans loss credits-OSS	To record transmission loss credits w/PJM allocated off-system sales	Yes	Yes	
4470209	PJM transm loss charges-OSS	To record transmission loss charges w/PJM allocated to Off-System Sales (OSS)	Yes	Yes	

<u>Account</u>	<u>Account Description</u>	<u>Description of Charges</u>	Recovered in Base Rate	Recovered in System Sales	Recovered in Fuel Adjustment Clause
4470214	PJM 30m Suppl Reserve CR OSS	To record 30 minute supplemental reserve market credit for OSS (off system sales) where net service is revenue. The 30 minute supplemental reserve market is a market based service that applies to resources that can provide reserve capability that can be converted into energy w/in 30 minutes of request OSS would receive any net credits.	Yes	Yes	
4470215	PJM 30m Suppl Reserve CH OSS	To record 30 minute supplemental reserve market charges for OSS (off system sales) where net service is revenue. The 30 minute supplemental reserve market is a market based service that applies to resources that can provide reserve capability that can be converted into energy w/in 30 minutes of request OSS would receive any net credits	Yes	Yes	
4470220	PJM Regulation - OSS	This account is used to record the net credit when PJM Regulation Credits exceed PJM Regulation Charges.	Yes	Yes	
4470221	PJM Spinning Reserve - OSS	This account is used to record the net credit when PJM Spinning Reserve Credits exceed PJM Spinning Reserve Charges.	Yes	Yes	
4470222	PJM Reactive - OSS	This account is used to record the net credit when PJM Reactive Credits exceed PJM Reactive Charges	Yes	Yes	
5550039	PJM Inadvertent Mtr Res-OSS	To record PJM inadvertent energy expense allocated to off-system sales-OSS	Yes	Yes	
5550099	PJM Purchases-non-ECR-Auction	To record PJM purchases (non-ECR) used to serve auction loads that were previously recorded as physical in 5550035	Yes	Yes	
5570007	Other Pwr Exp - Wholesale RECs	To record expenses related to requirements of wholesale marketing relationships. Includes purchase costs associated with renewable energy credits (RECs), as well as related administrative fees and alternative compliance payments.	Yes	yes	
5614000	PJM Admin-SSC&DS-OSS	PJM administrative service fees for scheduling, system control and dispatching services allocated to off-system sales.	Yes	Yes	
5614008	PJM Admin Defaults OSS	To record costs in PJM when a market participant defaults on its payment obligations with PJM. These charges are socialized across all participants in PJM. This administrative fee relates to the OSS (Off System Sales).	Yes	yes	
5618000	PJM Admin-RP&SDS-OSS	PJM administrative service fees for reliability planning and standards development services allocated to off-system sales. This account shall include the costs billed to the transmission owner, load serving entity, or generator for system planning of the interconnected bulk electric transmission system	Yes	Yes	

<u>Account</u>	<u>Account Description</u>	<u>Description of Charges</u>	Recovered in Base Rate	Recovered in System Sales	Recovered in Fuel Adjustment Clause
5757000	PJM Admin-MAM&SC- OSS	PJM administrative service fees for market administration, monitoring and compliance services allocated to off-system sales. This account shall include the costs billed to the transmission owner, load serving entity or generator for market administration, monitoring and compliance services.	Yes	Yes	

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PH_3 Refer to Kentucky Power's responses to the March 4, 2021 Order in this proceeding, Confidential attachments to Items 31 and 33. Provide a more detailed explanation of the maintenance that will be occurring on Mitchell Unit 2 in 2022.

RESPONSE

Employees perform routine maintenance on Mitchell Unit 2 throughout the year. The following is a list of major non-routine projects planned for the Mitchell Unit 2 outage in 2022:

- Replace the air heater baskets in both air heaters.
- Replace cooling tower hot deck and partial fill. Repair ring header and replace nozzles on the cooling tower.
- Replace Second Reheat Turbine Rotor with spare.
- Replace a layer of Selective Catalytic Reduction (SCR) catalyst.
- Inspect and repair both Low Pressure Turbines.
- Replace Boiler Feed Pump Rotating Element with spare.
- Install additional weld overlay on Steam Generator Lower Sidewalls.
- Upgrade and repair both Precipitators.
- Complete Steam Generator inspection and repair as needed.

Witness: Douglas J. Rosenberger

VERIFICATION

The undersigned, Brian K. West, being duly sworn, deposes and says he is Vice President, Regulatory & Finance for Kentucky Power Company, that he has personal knowledge of the matters set forth in the foregoing responses and the information contained therein is true and correct to the best of his information, knowledge, and belief.



Brian K. West

State of Indiana)
) ss Case No. 2021-00053
County of Allen)

Subscribed and sworn to before me, a Notary Public, in and for said County and State, Brian K. West this 20th day of May, 2021.

Regiana M.)
Sistevaris) Digitally signed by Regiana M. Sistevaris
) Date: 2021.05.20 07:36:32 -04'00'

Regiana M. Sistevaris, Notary Public

My Commission Expires: January 7, 2023



Rosenberger Verification Case No 2021 00053 - DR responses.doc

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E-Signature Summary

E-Signature 1: Douglas J Rosenberger (DJR)

May 25, 2021 14:06:28 -8:00 [1B4152CC7DBE] [167.239.2.86]
djrosenberger@aep.com (Principal) (Personally Known)

E-Signature Notary: S. Smithhisler (SRS)

May 25, 2021 14:06:28 -8:00 [1A44F9E4EC64] [161.235.2.86]
srsmithhisler@aep.com

I, S. Smithhisler, did witness the participants named above electronically sign this document.



VERIFICATION

The undersigned, Douglas J. Rosenberger, being duly sworn, deposes and says he is the Plant Manager – Mitchell for Kentucky Power Company, that he has personal knowledge of the matters set forth in the foregoing responses and the information contained therein is true and correct to the best of his information, knowledge, and belief.

Douglas J Rosenberger
Signed on 2021/05/25 14:06:28 -8:00

Douglas J. Rosenberger

State of Ohio)
County of Franklin)

Case No. 2021-00053

Subscribed and sworn before me, a Notary Public, by Douglas J. Rosenberger this
25th day of May, 2021.

S Smithhisler
Signed on 2021/05/25 14:06:28 -8:00

Notary Public



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